

COURT FILE NUMBER KBG-SA-00151-2022

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE SASKATOON

IN THE MATTER OF THE RECEIVERSHIP OF ABBEY RESOURCES CORP.

Before the Honourable Justice G.A. Meschishnick in chambers the 2nd of November, 2023.

On the application of MNP Ltd. in its capacity as the Court-appointed receiver (the "**Receiver**") of the assets, undertakings and properties of Abbey Resources (the "**Debtor**") pursuant to the Order of this Court made February 22, 2022 (the "**Receivership Order**"); and upon hearing from counsel for the Receiver and Government of Saskatchewan, as represented by the Ministry of Energy and Resources, and upon reading the Notice of Application dated October 30, 2023, the Fourth Report of the Receiver (the "**Fourth Report**") and the Confidential Supplement thereto, and a proposed draft Sale Approval and Vesting Order, all filed, and the pleadings and proceedings had and taken herein:

The Court Orders:

SERVICE

1. Service of the Notice of Application on behalf of the Receiver and the materials filed in support thereof (collectively, the "**Application Materials**") shall be and is hereby deemed to be good and valid and, further, shall be and is hereby abridged, such that service of such Application Materials is deemed to be timely and sufficient.

APPROVAL OF TRANSACTION

2. The sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and You First Energy Inc. (the "**Purchaser**") dated September 25, 2023 and appended to the Fourth Report, for the sale to the Purchaser of the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**") is declared to be commercially reasonable and in the best interests of the Debtor and its creditors and other stakeholders and is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary.
3. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable (including any steps necessary or desirable to satisfy and/or comply with any applicable laws, regulations or orders of any courts, tribunals, regulatory bodies or administrative bodies in any jurisdiction in which the Purchased Assets may be located) for the completion of the Transaction or for the conveyance of the Purchased Assets to the Purchaser, subject to such amendments as the Receiver and the Purchaser may agree upon, provided that any such amendments do not materially affect the Purchase Price.

VESTING OF PROPERTY

4. Upon the Receiver determining that the ~~Transaction~~**Proposed Sale** has closed to its satisfaction and on terms substantially as approved by this Honourable Court pursuant to this Order, the Receiver shall deliver to the Purchaser (or its nominee) a Receiver's certificate substantially in the form set out in **Schedule "A"** hereto (the "**Receiver's Certificate**").
5. The Receiver may rely on written notices from the Purchaser regarding fulfillment or, if applicable, waiver of conditions to closing of the ~~Transaction~~**Proposed Sale** under the Sale Agreement and shall have no liability with respect to the delivery of the Receiver's Certificate.

6. Subject to paragraphs 6A and 6B of this Order, upon delivery of the Receiver's Certificate, all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on **Schedule "B"** hereto shall, save and except for the encumbrances listed in **Schedule "C"** hereto (the "**Permitted Encumbrances**") and any Cure Costs payable in respect the Assumed Contracts (as those terms are defined in the Sale Agreement), vest absolutely in the name of the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, interests, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, judgments, enforcement charges, levies, charges, or other financial or monetary claims (collectively, "**Encumbrances**") and all rights of others, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:
- (a) any encumbrances or charges created by the Receivership Order;
 - (b) all charges, security interests or claims evidenced by registrations pursuant to *The Personal Property Security Act, 1993* SS 1993, c P-6.2, or any other personal property registry system;
 - (c) all municipal tax claims under *The Municipalities Act, 2005*, c. M-36.1;
 - (d) all liens and claims of lien under *The Builders' Lien Act, 1984-85-86*, c. B-7.1;
 - (e) all claims of the MER in relation to the surface and mineral leases and royalties; and
 - (f) those Encumbrances listed in **Schedule "D"** hereto;

and, for greater certainty, this Court orders that all of the Encumbrances (save and except for the Permitted Encumbrances) affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

- 6A. The vesting of the Purchased Assets as contemplated by paragraph 6 of this Order is also subject to the Purchaser obtaining the approval of:
- (a) the MER pursuant to section 10 of *The Oil and Gas Conservation Act, 1978*, c. O-2 and paying any security that may be required by the MER pursuant to section 15 of the same;
 - (b) the Minister of Indigenous Services, as represented by Indian and Oil and Gas Canada ("**IOGC**") pursuant to section 25 of the *Indian Oil and Gas Regulations, 2019-196*; and
 - (c) the MER, the IOGC, and any other governmental or regulatory authority ~~under~~ required to effect the transfer of the Purchased Assets pursuant to any other applicable legislation.

(collectively, the "**Conditions Precedent**")

- 6B. Once the Conditions Precedent are satisfied by the Purchaser (and provided the Receiver's Certificate has been delivered to the Purchaser):
- (a) the MER is hereby authorized and requested to cancel and discharge the Claims and Encumbrances other than the Permitted Encumbrances, if any, registered against the Debtors' interest in:
 - (i) the Saskatchewan Crown Leases identified in Part V of Schedule "B" to this Order; and
 - (ii) the well licenses, facility licenses, and pipelines licenses identified in Part VI of Schedule "B" to this Order;

and transfer the same to the Purchaser;

(b) IOGC is hereby authorized and requested to cancel and discharge the Claims and Encumbrances other than the Permitted Encumbrances, if any, registered against the Debtors' interest in:

(i) the Federal (Canada) Crown Mineral Leases identified in Part II to Schedule "B" to this Order;

(ii) the Federal (Crown) Surface Leases identified in Part III of Schedule "B" to this Order; and

(iii) the Federal (Crown) Easement Agreements identified in Part IV of Schedule "B" to this Order;

and transfer the same to the Purchaser;

(c) the Ministry of Agriculture is hereby authorized and requested to cancel and discharge the Claims and Encumbrances other than the Permitted Encumbrances, if any, registered against the Debtors' interest in:

(i) the Saskatchewan Crown Surface Lease Agreements identified in Part VII of Schedule "B" to this Order; and

(ii) the Saskatchewan Crown Easement Agreements identified in Part VIII of Schedule "B" to this Order;

and transfer the same to the Purchaser.

7. Upon delivery of the Receiver's Certificate to the Purchaser, the Receiver shall be and is hereby authorized to effect such discharges or revisions in the Saskatchewan Personal Property Registry as may be reasonably required to conclude the Transaction.

8. Upon delivery of the Receiver's Certificate and filing a duplicate original copy of this Order, together with any applicable registration fees, Pursuant to section 109 of *The Land Titles Act, 2000*, SS 2000, c L-5.1 and section 3-4 of *The King's Bench Act, 2023*, c. 28, the Saskatchewan Registrar of Titles shall be and is hereby directed:

(a) to accept an application (the "**Land Titles Application**") signed by the Receiver to assign the interests in the name of the Debtor listed in Part I of Schedule "B" of this Order to the Purchaser; and

(b) for greater certainty, to discharge all interests described in Schedule "D" hereto.

9. Any and all registration charges and fees payable in regard to the Land Titles Application shall be to the account of the Purchaser.

10. For the purposes of determining the nature and priority of the Encumbrances:

(a) the net proceeds from the sale of the Purchased Assets (the "**Net Sale Proceeds**") shall stand in the place and stead of the Purchased Assets; and

(b) from and after the delivery of the Receiver's Certificate to the Purchaser, all Encumbrances and all rights of others shall attach to the Net Sale Proceeds from the sale of the Purchased Assets with the

same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to closing of the Transaction.

11. The Purchaser (and its nominee, if any) shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever in respect of any Claims against the Debtor.
12. The Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, save and except for the persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Purchased Assets and, to the extent that any such person remains in possession or control of any of the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser.
13. The Purchaser shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by or through or against the Debtor.
14. Immediately after the closing of the Transaction, the holders of the Permitted Encumbrances shall have no claim whatsoever against the Receiver or the Debtor; provided, however, that the Receiver shall pay any outstanding royalties owing to IOGC for natural gas produced by the Receiver from the Purchased Assets from March 1, 2022 until 11:59 p.m. (Saskatchewan time) on October 31, 2023.
15. Forthwith after the delivery of the Receiver's Certificate to the Purchaser, the Receiver shall file a copy of the Receiver's Certificate with the Court, and shall serve a copy of the Receiver's Certificate on the recipients listed in the Service List maintained with respect to these proceedings.
16. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, SC 2000, c 5, the Debtor and the Receiver are hereby authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.
17. Notwithstanding:
 - (a) the pendency of these proceedings;
 - (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to such applications;
 - (c) any assignment in bankruptcy made in respect of the Debtor; and
 - (d) the provisions of any federal statute, provincial statute or any other law or rule of equity,

the vesting of any of the Purchased Assets in the Purchaser pursuant to this Order and the obligations of the Debtor under the Sale Agreement shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

18. The Transaction is exempt from any requirement under any applicable federal or provincial law to obtain shareholder approval and is exempt from the application of any bulk sales legislation in any Canadian province or territory.

MISCELLANEOUS MATTERS

19. The Receiver, the Purchaser and any other interested party shall be at liberty to apply for further advice, assistance and directions as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction, including, without limitation, an application to the Court to deal with interests which are registered against title to the Real Property after the time of the granting of this Order.
20. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders as to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
21. Service of this Order on any party not attending this application is hereby dispensed with. Rule 10-4(2) of *The King's Bench Rules* is hereby waived. Parties attending this application shall be served in accordance with the Electronic Case Information and Service Protocol adopted in the Receivership Order.

ISSUED at Saskatoon, Saskatchewan, this _____ day of November 2023.

(Deputy) Local Registrar

CONTACT INFORMATION AND ADDRESS FOR SERVICE

Name of firm:	McDougall Gauley LLP
Lawyers in charge of file:	Ian A. Sutherland, K.C. / Craig Frith
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SCHEDULE "A"
FORM OF RECEIVER'S CERTIFICATE

COURT FILE NUMBER KBG-SA-00151-2022

**COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY**

JUDICIAL CENTRE SASKATOON

IN THE MATTER OF THE RECEIVERSHIP OF ABBEY RESOURCES CORP.

RECEIVER'S CERTIFICATE

RECITALS

- A. Pursuant to an Order of the Honourable Justice G.M. Meschishnick of the Court of Queen's Bench of Saskatchewan (the "**Court**") dated February 28, 2023, MNP Ltd. was appointed as the receiver (the "**Receiver**") of the assets, undertakings and property of Abbey Resources Corp. (the "**Debtor**").
- B. Pursuant to an Order of the Court dated November 2, 2023, the Court approved the agreement of purchase and sale made as of September 25, 2023 (the "**Sale Agreement**") between the Receiver and You First Energy Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section * of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.
- C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

- 1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
- 2. The conditions to Closing as set out in Article 3 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
- 3. The Transaction has been completed to the satisfaction of the Receiver; and
- 4. This Certificate was delivered by the Receiver at **[Time]** on **[Date]**.

**MNP Ltd., in its capacity as Receiver of the
undertaking, property and assets of Abbey Resources
Corp., and not in its personal capacity.**

Per; _____
Name:
Title:

SCHEDULE "B"
PURCHASED ASSETS

SCHEDULE "C"
PERMITTED ENCUMBRANCES

- (a) easements, rights of way, servitudes and other similar rights in land (including without limitation rights of way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone, telegraph and cable television conduits, poles, wires and cables) which do not materially impair the use of the Assets affected thereby;
- (b) the right reserved to or vested in any Governmental Authority by the terms of any lease, licence, franchise, grant or permit or by any statutory provision, to terminate any such lease, licence, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
- (c) rights of general application reserved to or vested in any Governmental Authority to levy taxes on the Leased Substances or any of them or the income therefrom, and governmental requirements and limitations of general application as to production rates on the operations of any property;
- (d) statutory exceptions to title, and the reservations, limitations, provisos and conditions in any original grants from the Crown of any of the mines and minerals within, upon or under the Lands;
- (e) all encumbrances, royalties, net profits interests and other burdens identified in the Assumed Contracts and the Title Documents;
- (f) the terms and conditions of the Assumed Contracts and the Title Documents, including the requirement to pay any rentals or royalties to the grantor thereof to maintain the Title Documents in good standing and any royalty or other burden reserved to the grantor thereof; and
- (g) the Production Contracts and agreement or agreements (if any) for the sale of Leased Substances that are terminable on not greater than 31 days' notice.

Capitalized terms appearing in this Schedule "C" will have the meanings given to them in Section 1.1 of the Sale Agreement.

SCHEDULE "D"
ENCUMBRANCES TO BE DISCHARGED

Nil